



UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

MAY 10 1976

Assistant Secretary of Defense
for Intelligence
Pentagon, Room 3E282
Washington, D.C. 20301

Dear Sir:

In order to improve the quality and timeliness of intelligence analyses conducted at the intelligence groups located at ERDA weapon laboratories, we wish to install COINS terminals within the intelligence vaults at our laboratories. We are considering the following laboratories for installation of terminals: the Lawrence Livermore Laboratory (LLL) in California; the Los Alamos Scientific Laboratory (LASL) and Sandia Laboratories in New Mexico; and the Oak Ridge Gaseous Diffusion Plant (ORGP) in Tennessee. LLL has been selected as the first laboratory to receive a COINS terminal on a six-month trial basis. Following this trial period, a determination will be made as to whether other laboratories should receive terminals.

The enclosed letter from George Bush, the Director of Central Intelligence (DCI) to me, and the DCI Policy on Release of Foreign Intelligence to Contractors exempts our weapon laboratories from contractor status. Further, laboratory recipients of COINS output are indoctrinated for SI/TK information and have secure facilities for the location of terminals and storage of classified output.

Laboratory access to the following COINS data bases is initially required:

NPIC Installation Data File
NPIC Exploitation Products File
NSA SOLIS Data Base
DIA Installation File

Access to additional data bases may be requested in the future.

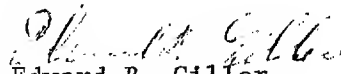


Assistant Secretary of Defense
for Intelligence

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ERDA agrees to pay for the COINS terminals and related equipment to be installed at our laboratories and to pay the required line leasing and maintenance expenses.

Sincerely,


Edward B. Giller
Assistant Administrator
for National Security

Enclosures:

1. Ltr fm Bush, DCI, to
Giller, ERDA, dtd 3/12/76
2. Cy of DCI Policy Paper

12 March 1976

Major General Edward B. Giller, USAF (Ret.)
Deputy Assistant Administrator for National
Security
Energy Research and Development
Administration
Washington, D. C. 20545

Dear General Giller:

Thank you for your letters of 24 December 1975 regarding your concern about the flow of information to ERDA's weapons laboratories under the foreign intelligence dissemination controls of DCID 1/7 (effective 5 October 1975) and your designation of ERDA's primary referent for interagency consultation concerning utilization of intelligence.

As you will recall the "DCI Policy Paper on Information Release to Contractors" was revised by the Security Committee and circulated to the community in December 1975. At that time ERDA expanded footnote 1 of this paper to exclude ERDA's laboratories from the "contractor" category requiring authorization for dissemination of intelligence information called for in DCID 1/7.

I have now approved this policy paper and it will soon be disseminated to the community. This should alleviate your dissemination problems and enable you to continue your valuable intelligence contribution without interruption.

Sincerely,


George Bush

DCI POLICY ON RELEASE OF FOREIGN INTELLIGENCE TO CONTRACTORS¹

1. In order that the Intelligence Community agencies may more effectively discharge their responsibilities and without intent to limit such broader authority or responsibility as any may now have under law, NSC Directive, or special agreements among them, selected intelligence² may be made available by recipient officials of the Intelligence Community agencies or their designated subordinates to certain contractors without referral to the originating agency, provided that:

a. Release³ shall be limited to private individuals (including consultants) or organizations certified by the Senior Intelligence Office of the sponsoring Intelligence Community agency as being under contract to the

¹ "General policy is set forth in DCID No. 1/7, 'Control of Dissemination of Foreign Intelligence,' approved 7 August 1975 (effective 5 October 1975). In accordance with paragraph 5a(3) of DCID 1/7, the Intelligence Community agencies agree that Government-owned, contractor-operated laboratories performing classified services in support of the intelligence mission of the Energy Research and Development Administration, which are designated authorized channels by the ERDA Senior Intelligence Officer, are not considered contractors for the purposes of this policy statement."

² This Directive deals solely with foreign intelligence, which for purposes of this Directive, is defined as information reports and intelligence produced and disseminated by CIA, INR/State, DIA, NSA, ACSI/Army, Naval Intelligence Command, ACSI/Air Force, ERDA and the military commands. This specifically excludes Foreign Service reporting and Sensitive Compartmented Information* (SCI). Permission to release Foreign Service reporting must be obtained from the Department of State, and permission to release SCI must be obtained from its originator. SCI is covered specifically by paragraph 3 of this Directive, in that it bears one or more codewords or special instructions which dictate handling in special dissemination channels.

*The term "Sensitive Compartmented Information" as used in this Directive is intended to include all information and materials bearing special community controls indicating restricted handling within present and future community intelligence collection programs and their end products for which community systems of compartmentation have been or will be formally established. The term does not include Restricted Data as defined in Section II, Public Law 585, Atomic Energy Act of 1954, as amended.

³ Release is the visual, oral or physical disclosure of classified intelligence material.

United States Government for the purpose of performing classified services in support of the mission of a member agency,⁴ his department or service, as having a need-to-know, and as possessing the required security clearances.

b. The responsibility for ensuring that releases to contractors are made pursuant to this policy statement shall rest with the Senior Intelligence Officer of the sponsoring member agency (i.e., the chief of the intelligence component seeking release on his own behalf or on behalf of a component within his department or service) or his designee.⁵

c. The agency releasing the intelligence material shall maintain a record of the material released and shall upon request report such releases to the originating agency.

d. Intelligence material released to a contractor does not become the property of the contractor and can be withdrawn from him at any time. Upon completion of the contract, the releasing agency shall assure that all intelligence materials released under authority of this agreement and all other materials of any kind incorporating data from such intelligence materials are returned to the releasing agency for final disposition.

e. Contractors receiving intelligence material will not release the material (1) to any activity or individual of the contractor's organization not directly engaged in providing services under the contract, nor (2) to another contractor (including a subcontractor), government agency, private individual or organization without the consent of the releasing agency (which shall verify that the second contractor has a need-to-know and meets security requirements).

f. Contractors will ensure that intelligence material will not be released to foreign nationals whether or not they are also consultants, US contractors or employees of contractors, and regardless of the level of their security clearance, except with the specific permission of the originating agency.

g. Contractors shall be required to maintain such records as will permit them to furnish, on demand, the names of individuals who have had access to intelligence materials in their custody.

h. Contractors may not reproduce any material released without the express permission of the agency having contractual responsibilities. All requirements for control and accountability for original documents as indicated above shall apply equally to copies made.

⁴ Non-Intelligence Community Government components under contract to fulfill an intelligence support role, may be treated as members of the Intelligence Community rather than as contractors. When so treated, it shall be solely for the specific purposes agreed upon, and shall in no case include authority to disseminate further intelligence material made available to them.

⁵ Releasing agencies are required to delete: a) the CIA seal, b) the phrase "Directorate of Operations," c) the place acquired, d) the field number and e) the source description from all CIA Directorate of Operations reports passed to contractors, unless prior approval to release such information is obtained from CIA.

2. The following intelligence materials *shall not* be released to contractors:

National Intelligence Estimates (NIEs), Special National Intelligence Estimates (SNIEs), National Intelligence Analytical Memoranda and Inter-agency Intelligence Memoranda are not releasable and hence shall bear the NOT RELEASABLE TO CONTRACTORS OR CONTRACTOR/CONSULTANTS stamp. However, information contained therein may be made available, without identification as national intelligence, over the byline of the Senior Intelligence Officer of the Intelligence Community agency authorizing its release.

3. The following intelligence materials *shall not* be released to contractors unless special permission has been obtained from the originator:

Materials which by reason of sensitivity of content bear special markings, such as NOT RELEASABLE TO CONTRACTORS OR CONTRACTOR/CONSULTANTS or CAUTION—PROPRIETARY INFORMATION INVOLVED contained in DCID 1/7 (effective 5 October 1975) or which are marked for handling in special dissemination channels.

4. Questions concerning the implementation of this policy and these procedures shall be referred for appropriate action to the Security Committee.